

Organizational Factors – Physician Relationships

ILLUSTRATIVE

Factors	Interventions
<ul style="list-style-type: none"> ● Medical staff loyalty ● Alignment of interests ● Cost of medical leadership ● Effectiveness of medical leadership 	<ul style="list-style-type: none"> ● Implement medical advisory board ● Ensure engaged, empowered medical leadership ● Monitor / control medical director fees (market value, clear expectations, documentation) ● Focus on issues important to efficient medical practice (scheduling, house staff coverage, support services) ● Appropriate technology availability ● Recruit star quality leaders and providers
Enablers	Constraints
<ul style="list-style-type: none"> ● Parallel physician and hospital market structure ● Limited physician / hospital competition 	<ul style="list-style-type: none"> ● Weak medical practice economics ● No CON facilitates physician competition ● Capital available for equipment upgrades ● Weak, entrenched medical leadership

Organizational Factors – Faculty / Employed Physician Productivity

ILLUSTRATIVE

Factors	Interventions
<ul style="list-style-type: none"> Physician compensation levels Physician productivity levels Practice infrastructure efficiency Billing effectiveness 	<ul style="list-style-type: none"> Benchmark physician compensation and productivity Implement productivity based compensation Tie compensation to collections rather than gross charges Benchmark practice management costs Benchmark billing effectiveness (charge lag, denials) Consolidate small practices Differentiate between hospital and physician support staff in comp / benefits structure
Enablers	Constraints
<ul style="list-style-type: none"> Strong medical leadership Weak specialty physician supply (can be +/-) 	<ul style="list-style-type: none"> Disadvantageous, long term employment agreements Weak specialty physician supply (can be +/-) Aggressive competition for key specialties Primary care oversupply

Organizational Factors – Cash Flow / Balance Sheet

ILLUSTRATIVE

Factors	Interventions
<ul style="list-style-type: none"> • Cost of debt • Debt service coverage • Debt covenants • Access to cash • Non-operating funding sources <ul style="list-style-type: none"> → Philanthropy → Special appropriations 	<ul style="list-style-type: none"> • Improve current accounts balance • Monetize fixed assets • Divest non-core business activities • Restructure debt • Establish development program • Leverage political relationships
Enablers	Constraints
<ul style="list-style-type: none"> • Essential provider to key market segments • Positive fiscal track record • Strong community / political relationships 	<ul style="list-style-type: none"> • Weak competitive position • Weak leverage with health plans • Poor cash flow